

CONFIDENTIAL

MEMO FOR THE RECORD

12 December 1964

SUBJECT: CASI Activities

The following series of events, which seem to be factual, while not related, add up to a certain pattern. While not giving these events in any particular order, they are:

1. A Mr. John Degan, an Air Operations Officer on Contract -713, Udorn, began utilizing CASI aircraft causing Air America aircraft to sit on the ground unutilized. Capt. Rhyne finally called this to the attention of [redacted] and others who administer this contract and they examined the situation and told Capt. Rhyne to be patient that this situation would not last very much longer. See attachment.

Meanwhile, of course, our aircraft were frequently not utilized and were sitting on the flight line waiting for scheduling. Finally Mr. Degan returned to the States and the situation has since been remedied.

Mr. Degan is now returning to Udorn as the Manager of CASI at that base.

2. Certain cable correspondence reflects the fact that -713 tried to cancel their call order for our C-47, the excuse being that CASI's C-47 was lighter thus it would carry more payload, also that it had larger and better brakes so that it could be used into shorter fields, and lastly that it had better drop capacity. This last part obviously couldn't be true under any circumstances. Just about the time that we were preparing to accept the termination of our C-47 and send it to Saigon, we were requested to hold up. Meantime, our people had pointed out to the customer the problem of getting into the small fields was not the problem, it was getting out (take off) on single engine, and regardless of brakes or ACL neither aircraft could get out, of certain fields that were being mentioned, on single engine.

It was found that it was Mr. Degan who had tried to cancel our C-47. Since his departure from Udorn the C-47 is back on schedule and the customer does not wish to cancel and, as mentioned above, Mr. Degan is returning as CASI's Manager at Udorn.

3. CASI, somehow, definitely got the word about the need for a high altitude, long "loiter" program and, as we have already corresponded with you, they have already been running tests for the customer in this respect. It would be interesting to find out how they were told about this program and how they got a head start on Air America.

4. Mr. Bob Six, President of CAL, visited Bangkok in early November and at a cocktail party stated, within hearing of our representatives, that Air America would be out of business within two years. Mr. Pierre Salinger also stated on two occasions on his recent visit to Thailand that Air America had for too long enjoyed these contracts and that CASI was going to move in and take them away from Air America.

APPROVED FOR RELEASE DATE: 12-Aug-2009

5. During a visit November 19th with our Base Manager, Mr. Frank Dunn, in Vientiane, Mr. Six pulled out several newspapers, one of which was the New York Herald Paris edition which ran Mr. Maffre's recent story about Air America. This also appeared about the same time in the Bangkok World and Washington Post. Mr. Six was carrying all these papers and perhaps some more and had the Air America story circled in red ink. He stated that this was indeed too bad and that this article and others had appeared in approximately 540 newspapers throughout the world. He further stated that Senator Fulbright no doubt would use this information and other such information for his forthcoming investigation of foreign policy, etc.

It is peculiar to note that Mr. Six had the New York Herald Paris edition in his pocket less than two days after it was printed.

While no opinion is expressed herein, the question is just how active is Mr. Salinger for Mr. Six in respect to spreading this type of propaganda.

6. The CASI Hostel has been up for sale or rent for some time and prior to Mr. Six' visit November 19th we had been told that they would make room for our people on a weekly basis, one person to a room. After Mr. Six left, they offered room rentals on a monthly basis, or even longer as desired.

It is a well known fact that CASI had been trying to sell or rent their hostel and had approached Air America on the matter several times. It would appear from the above that it is no longer for sale or rent except rooms may be rented to itinerants.

7. Customer -342 has for several months been consistently reducing our helio flying and has dropped several helios from the contract. In the meantime they are increasing CASI's Porter flying. See the attached.

We have been told, of course, that we cannot supply Porters to Vientiane, yet we have had frequent calls for them from the COR of -342.

It was decided about a year ago that Air America would place no Porters in Vientiane and that Udorn would become primarily a helio base. Obviously the proposal is not being followed and in the meantime our competition is taking business away from Air America.

Careful review of the above seems to indicate a pattern.

J. W. Walker, Jr.

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-713-

UDORN

Helio	1285	983	984	859	683	494	439	107	58	96	-	-
Porter	372	366	289	276	202	635	811	736	811	738	(692)	-

-342-

VIENTIANE

Helio	1703	1457	1512	1454	1400	1443	1749	990	1098	918	(338)	-
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